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chapter on "colonial industry and commerce" is especially incomplete in view of the previous neglect of these subjects by other historical writers. Being left to develop their industry without effective interference on the part of the mother country, the colonies shaped their economic life independent of, and as far as the northern colonies were concerned, in competition with the economic life of Great Britain. This fact had much to do with the growth of the idea of political independence. Moreover, the commerce of the colonies was so vitally connected with their economic progress and had so much to do with the shaping of their political ideals and institutions that a careful discussion of it must be included in every well-rounded history of the American colonies.

Professor Channing's work, in spite of the limitations above suggested, marks a distinct advance in the treatment of our colonial history. The two volumes thus far published establish for the completed work a secure place among the histories of the United States. The appearance of the other three volumes of the series will be gladly welcomed by all students of history.

EMORY R. JOHNSON.

*University of Pennsylvania.*

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**Daggett, Stuart.** *Railroad Reorganization.* Pp. x, 402. Price, \$2.00. Boston: Houghton, Mifflin & Co., 1908.

Dr. Daggett's work upon railroad reorganization is the most important addition made in 1908 to the book literature upon railroad transportation. The volume has several distinctive merits: It deals with a relatively neglected phase of railroad history and management; it approaches the subject by the scientific highway of induction and careful analysis; and lastly the work has not been done hastily, but is the result of years of study. It must be gratifying to those interested in the activities of the Carnegie Institution to see such valuable studies as these appearing from time to time in consequence of the small grants which the institution makes to individual investigators.

Dr. Daggett has studied the financial history of seven railroad systems: the Baltimore and Ohio, Erie, Reading, Southern, Atchison, Union Pacific, and Rock Island. It is safe to assume that practically all phases of the problems of insolvency, receivership, and financial reorganization are revealed in the history of these seven railroad systems. It was no easy task, from a literary point of view, to survey the history of these companies in turn and so to select the essential from the unimportant materials as to present a concise and readable account of the financial experiences of each company. Any one who has attempted to grasp the details of the history of such a system as the Erie, the Reading, or the Union Pacific, will readily appreciate the difficulties with which Dr. Daggett had to deal. Indeed, he is to be congratulated upon having made a readable as well as an instructive book.

The lay student of transportation will probably read only parts of the histories of the seven companies selected for detailed study, but will read

carefully the concluding chapter in which Dr. Daggett summarizes the discussion of railroad reorganizations as presented in the main body of the book. This concluding chapter, which is in reality a short monograph, sets forth the financial difficulties of insolvent roads; explains the method followed in reconstructing the capitalization of insolvent roads so as to bring the expenses within the income; and at the end sums up the general results of the study.

Among the especially important conclusions to which the investigation leads are: (a) That in reorganizing railroads the practice has been increasingly to substitute for securities bearing a fixed rate of interest, new securities, the payment of interest upon which is made conditional upon the earnings of the railroad—"preferred stock has gained in popularity over income bonds." (b) "The issue of new securities for floating debt and for other purposes has caused the capitalization after reorganization in all but one" case to exceed the capitalization before insolvency. This is a fact of great significance, showing that in the reorganization of railroads the purpose has been to make the losses of junior security holders temporary instead of permanent by giving them new securities of little present value, but of potential future worth, provided the reorganized company enters upon a period of prosperous development. From the security holders' point of view this policy is attractive; it is, however, fraught with obvious dangers to the public because the issue of large blocks of securities of low value gives the speculator and the financial manipulator the opportunity to reap large profits from stock operations with which the financial world has possibly become too familiar during recent years.

EMORY R. JOHNSON.

*University of Pennsylvania.*

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**Flack, Horace E.** *The Adoption of the Fourteenth Amendment.* Pp. 285. Price, \$2.00. Baltimore: Johns Hopkins Press, 1908.

This is an excellent study of the purpose of the fourteenth amendment. The conclusion is not new—that the Supreme Court in its later interpretations of the amendment nullified what was the almost unanimous belief of national and state legislatures as well as of the people at large as to what change had been made in our constitution. Mr. Flack has presented in detail the historical evidence justifying this conclusion.

The discussion begins with the Freedmen's Bureau and Civil Rights bills, then the amendment itself, prompted by the same motives as these bills, is attacked. From the debates of Congress it is shown that the amendment was in the strictest sense a log-rolling measure, that the motives for the various clauses were largely political and that the section on citizenship—by all odds the most important and the only one which has had a permanent effect upon our government received but little discussion. It seems to have been assumed by the Congress that negroes were already citizens and that the statement in the amendment was declarative only. The real object of the amend-